Saskatchewan
Finance

Annual Report
1991

Public Employees
Dental Fund

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Her Honour, Sylvia Fedoruk, OC SOM
Lieutenant Governor of the
Province of Saskatchewan
Government House
4607 Dewdney Avenue
Regina, Saskatchewan
S4P 3V7

Dear Madam:

Letter of Transmittal

I have the honour to transmit herewith the first Annual Report of the Public Employees Dental Fund for the year ending December 31, 1991.

I have the honour to be, Madam,

Your obedient servant,

Ed Tchorzewski
Minister of Finance

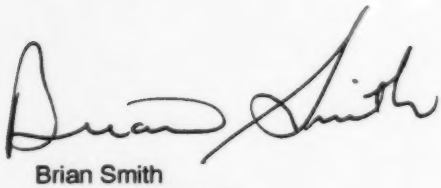
The Honourable Ed Tchorzewski
Minister of Finance
Regina, Saskatchewan

Sir:

Letter of Transmittal

On behalf of the Public Employees Benefits Agency, I have the honour to transmit herewith the first Annual Report of the Public Employees Dental Fund for the year ending December 31, 1991.

Respectfully submitted,



Brian Smith
Executive Director

Introduction

The Public Employees Dental Plan was established on February 1, 1982.

The intent of the Plan is to promote good dental health by reducing costs for preventive, routine and major restorative dental work.

Coverage is provided to employees of Executive Government, several Crown Corporations and various Agencies, Boards and Commissions as approved by the Lieutenant Governor in Council.

Spouses and dependent children are also eligible for coverage under the Plan.

As at December 31, 1991 there were approximately 28,000 insured employees representing the following participating employer groups:

Agricultural Credit Corporation of Saskatchewan
Battlefords Regional Care Centre
Carlton Trail Community College
Cumberland Community College
Cypress Hills Regional College
DirectWest Inc.
DirectWest Marketing Services Inc.
DirectWest Publishers Limited
Horned Cattle Trust Fund
Judges of the Provincial Court
Legislative Assembly (MLA's)
Legislative Assembly Office (office staff)
Legislative Counsel and Law Clerk
Legislative Library
Liquor Board
Meewasin Valley Authority
North West Regional College
Office of the Leader of the Opposition
Prairie West Community College
Provincial Auditor's Office
Provincial Gas Limited
Public Service of Saskatchewan as defined by the Public Service Act
Saskatchewan Alcohol and Drug Abuse Commission
Saskatchewan Arts Board
Saskatchewan Assessment Management Agency
Saskatchewan Centre of the Arts
Saskatchewan Communications Advanced Network Authority (SCAN)
Saskatchewan Crop Insurance Corporation
Saskatchewan Economic Development Corporation
Saskatchewan Energy Holdings Ltd.
Saskatchewan Institute of Applied Science and Technology
Saskatchewan Gaming Commission
Saskatchewan Government Insurance
Saskatchewan Horse Racing Commission
Saskatchewan Housing Corporation
Saskatchewan Human Rights Commission
Saskatchewan Municipal Board
Saskatchewan Power Corporation
Saskatchewan Property Management Corporation
Saskatchewan Telecommunications
Saskatchewan Transportation Company
St. Louis Alcoholism Rehabilitation Centre
Souris Valley Regional Care Centre
South Saskatchewan River Irrigation District No.1
Surface Rights Arbitration Board
Trans Gas Limited
Tripartite Beef Administration Board
Wakamow Valley Authority
Wanuskewin Heritage Park Corporation
Wascana Centre Authority
Western Development Museums
Whitespruce Youth Treatment Centre
Worker's Compensation Board

Operation of the Plan

Administration

The Public Employees Dental Plan is self-insured and is managed by the Public Employees Benefits Agency, Saskatchewan Finance.

Metropolitan Life Insurance Company is on contract under an Administrative Services Only agreement to provide claims adjudication and benefit payment services to the Plan.

Funding

Funding for the Plan is totally employer paid at a monthly rate of .7% of gross salary for the first seven months participation and .45% of gross salary thereafter.

Benefits

The Plan provides three levels of coverage as follows:

Level I	- Preventive Services	- 100% reimbursement
Level II	- Basic and Routine Services	- 75% reimbursement
Level III	- Major Restorative Services	- 50% reimbursement

Eligible dental expenses are reimbursed to a maximum of the fees outlined in the suggested fee guide issued by the College of Dental Surgeons of Saskatchewan.

Premiums/Claims Experience

	Dec 31, 1991	Dec 31, 1990
Premiums	$ 4,107,979	$ 3,965,091
Claims	$ 4,308,616	$ 3,399,776
# Claims Paid	47,626	33,625

Public Employees
Dental Fund

Financial Statements

For the Year Ended December 31, 1991

Auditor's Report

To the Members of the Legislative Assembly
of Saskatchewan

I have audited the statement of financial position of the Public Employees Dental Fund as at December 31, 1991 and the statements of revenue, expenses and fund balance and changes in financial position for the year then ended. These financial statements are the responsibility of the Fund's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 1991 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

W.K. Strelioff

Regina, Saskatchewan
March 27, 1992

W. K. Strelioff, C.A.
Provincial Auditor

Statement 1

Public Employees Dental Fund
Statement of Financial Position

As at December 31

	1991	1990
Assets		
Cash (Note 4)	$6,504,010	$6,067,068
Accounts receivable	325,133	558,092
Interest receivable (Note 4)	133,106	180,031
Total assets	$6,962,249	$6,805,191
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	$ 59,589	$ 81,785
Unpaid claims	583,385	510,140
	642,974	591,925
Fund balance (Statement 2)	6,319,275	6,213,266
Total liabilities and fund balance	$6,962,249	$6,805,191

(See accompanying notes)

Public Employees Dental Fund
Statement of Revenue, Expenses and Fund Balance

Year Ended December 31

	1991	1990
Revenue:		
Premiums	$4,107,979	$3,965,091
Interest (Note 4)	596,730	687,530
	4,704,709	4,652,621
Expenses:		
Claims incurred	4,308,616	3,399,776
Adjudication fees	195,395	165,050
Revolving Fund administration (Note 5)	94,689	84,497
	4,598,700	3,649,323
Excess of revenue over expenses	106,009	1,003,298
Fund balance, beginning of year	6,213,266	5,209,968
Fund balance, end of year (Statement 1)	$6,319,275	$6,213,266

(See accompanying notes)

Public Employees Dental Fund
Statement of Changes in Financial Position

Year Ended December 31

	1991	1990
Cash provided by (used in) operating activities:		
Excess of revenue over expense	$ 106,009	$1,003,298
Changes in non-cash working capital items:		
Decrease in accounts receivable	232,959	269,343
Decrease (increase) in interest receivable	46,925	(119,499)
Decrease in accounts payable	(22,196)	(18,524)
Increase in unpaid claims	73,245	109,699
Cash provided by operating activities	436,942	1,244,317
Cash, beginning of year	6,067,068	4,822,751
Cash, end of year	$6,504,010	$6,067,068

(See accompanying notes)

Public Employees Dental Fund
Notes to Financial Statements

December 31, 1991

1. **Description of the Fund**

The Public Employees Dental Fund is used to account for the transactions of the Public Employees Dental Plan. This Plan, which came into effect February 1, 1982, was established under the provisions of Section 31(2) of The Revenue and Financial Services Act. The Plan is designed to promote good dental health among plan members by reducing the members' costs for preventive, routine and major dental services. Premiums for the funding of this Plan are paid entirely by the employers who are members of the Plan.

Claims are adjudicated and processed for payment by the Metropolitan Life Insurance Company.

2. **Significant Accounting Policies**

a) **Basis of Accounting**

The accounts are maintained on an accrual basis of accounting.

b) **Unpaid Claims**

The provision for unpaid claims represents a provision for the cost of claims reported but not paid prior to year end and an estimate of claims incurred but not reported based upon the claims settlement experience.

3. **Fund Balance**

Fund balance represents the accumulated premiums and interest income reduced by claims incurred, adjudication fees and Public Employees Benefits Agency Revolving Fund administration charges. The fund balance, together with future premiums and interest income, is available to provide for the payment of claims to plan members.

4. **Interest**

Effective April 1, 1990, the Public Employees Dental Fund Bank account has been included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan. Under this arrangement, interest is calculated on the net position of all COBC accounts and is paid by the bank into the Consolidated Fund.

Dental Fund's share of this interest is allocated and paid by the Consolidated Fund on a quarterly basis into the Dental Fund's bank account using the Government's thirty day borrowing rate.

5. **Administrative Costs**

Public Employees Benefits Agency Revolving Fund

Pursuant to Section 32.1(2) of The Revenue and Financial Services Act the Public Employees Benefits Agency Revolving Fund was established effective April 1, 1988 to account for all expenditures previously paid out of the Consolidated Fund for the administration of the Public Employees Benefits Agency (PEBA). In addition, the Minister of Finance may charge a fee for any services which he provides on behalf of the Revolving Fund through the Consolidated Fund. These costs are charged by the Revolving Fund to the various pension funds and benefit programs administered by PEBA.

According to subsection 31(6.1) of The Revenue and Financial Services Act, effective April 1, 1988, sums required for the purpose of administering the Public Employees Dental Fund shall be a charge on and paid out of that Fund. These expenditures were previously paid out of the Consolidated Fund.

6. **SaskPower-Additional Coverage**

Effective January 1, 1992, SaskPower introduced an enhanced dental plan for their employees. Premiums and payments for the enhancement of the plan are the responsibility of SaskPower. The Public Employees Dental Plan will administer the additional premiums and payments on behalf of SaskPower.

7. **Comparative Figures**

Certain comparative figures have been restated to conform with the current year's presentation.